Government of Saskatchewan

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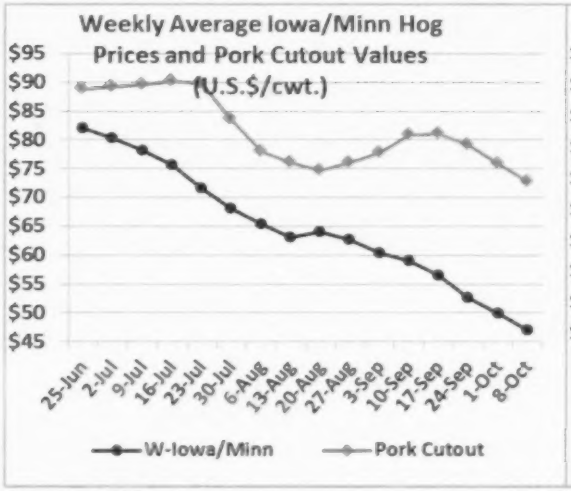
Weekly Hog Report

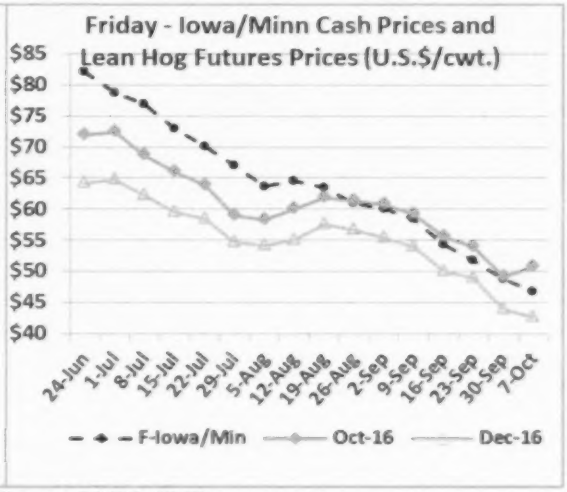
October 11, 2016

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) were again lower last week on continued large hog slaughter volumes to end the week down, week-over-week. Hog prices on Friday October 7 averaged US$46.77 per cwt, down US$1.94 per cwt or 4.0 per cent from US$48.71 per cwt the previous Friday. The negotiated weekly base price last week averaged US$46.94 per cwt, down US$2.85 per cwt or 5.7 per cent from US$49.79 per cwt the previous week.



Source: LMIC



Source: LMIC, CME

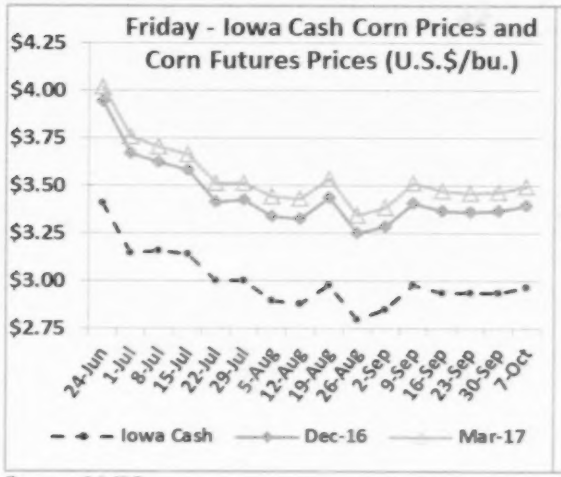
In Canada, the new contract Signature#5 (Maple Leaf) Index 100 daily price for Friday October 7, 2016 was $122.66 per ckg, up from the Signature#3 price the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged $114.45 per ckg, down $7.06 per ckg or 5.8 per cent from the previous weeks' average price of $121.51 per ckg. The Canadian dollar moved lower last week to close Friday at 75.27 cents, down 0.97 cents from 76.24 cents the previous Friday.

Futures Markets

United States lean hog futures daily prices were mixed over the week to end the week mixed, week-over-week. The nearby October contract increased US$1.650 per cwt to settle Friday at US$50.675 per cwt. The December contract declined US$1.375 per cwt to settle Friday at US$42.600 per cwt. The December lean hog futures contract price established a low over the week that was not hit since October 2002.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were lower last week. Weighted average cash prices for iso-weans (12lb) last week were US$12.72 per head, down US$2.74 per head from US$15.46 per head the previous week. Feeders (40lb) averaged US$21.52 per head, down US$1.70 per head from US$23.22 per head, the previous week.



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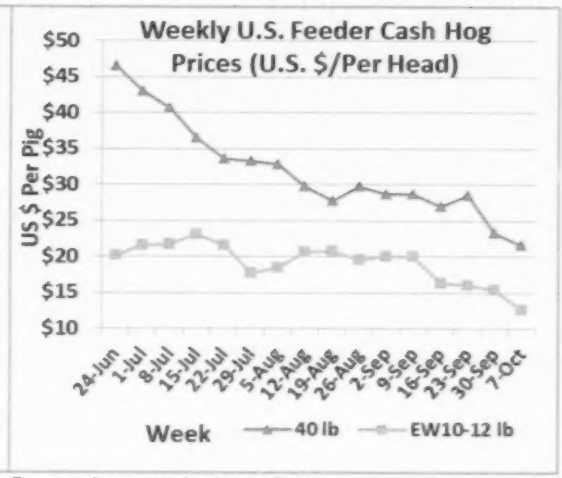


Source: Iowa Agriculture, CME

U.S. corn prices were mixed last week. Iowa cash corn prices increased three cents last week to settle Friday at US$2.97 per bushel. Daily U.S. corn futures prices were mixed over the week with noticeable losses on Thursday to reduce gains, week-over-week. The December 2016 corn futures contract increased three cents to settle Friday at 3.39 ¾ per bushel, while the March 2017 corn contract also increased three cents per bushel to settle Friday at US$3.49 ½ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending October 8 were estimated at 2.427 million head, down 0.4 per cent from 2.436 million head the previous week, but up 5.8 per cent from 2.293 million head the same week a year ago. U.S. hogs slaughtered over the last four weeks ending October 8 averaged 2.426 million head per week, up 6.3 per cent from 2.283 million head the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending October 1, 2016 were estimated at 438,037 head, up 2.0 per cent from 429,325 head the previous week and up 6.2 per cent from 412,638 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 412,039 head, up 5.4 per cent from 391,070 head over the same period in 2015. Year-to-date for 2016 hogs slaughtered in Canada totaled 15,801,550 head, up 1.7 per cent from 15,542,835 head the same period in 2015. (Source: Agriculture and Agri Food Canada/Canadian Food Inspection Agency)

Meat Production

U.S. pork production for the week ending October 8, 2016 was estimated at 507.9 million lb.; down slightly from 508.1 million lb. the previous week, but up 5.1 per cent from 483.3 million lb. the same week a year ago. Pork production over the last four week's ending October 8 was estimated to average 507.5 million lb., up 5.8 per cent from 479.8 million lb. over the same four week period a year ago.

U.S. beef production for the week ending October 8 was estimated at 505.1 million lb., down 0.8 per cent from 509.1 million lb. the previous week, but up 7.7 per cent from 468.8 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending October 1, 2016, was estimated to average 2.071 billion lb., up 2.0 per cent from 2.031 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2016 is estimated to be up 2.5 per cent compared to the same period in 2015.

United States Weekly Meat Production

(Oct. 1) Four Week Average - Million Lb.			Percent Change	
	2015	2016	4 Week	YTD 2016
Pork	466.5	488.3	4.7%	0.7%
Beef	470.8	488.3	3.7%	4.8%
Chicken	979.6	967.9	-1.2%	2.0%
Turkey	113.9	126.9	11.5%	5.7%
Total	**2,030.8**	**2,071.4**	**2.00%**	**2.53%**

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending October 8, 2016 averaged US$72.76 per cwt, down US$3.10 per cwt or 4.1 per cent from US$75.86 per cwt the previous week, and down 17.0 per cent from US$87.71 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending October 8, 2016 averaged US$184.72 per cwt over the week, down US$3.91 per cwt or 2.1 per cent from US$188.63 per cwt the previous week, and down 9.3 per cent from US$203.67 per cwt the same week a year ago.

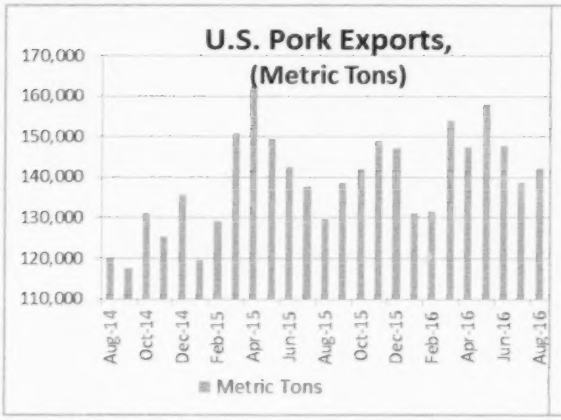
Average chicken cutout values (breast) for the week ending October 8, 2016 averaged US$121.84 per cwt, down US$6.73 per cwt or 5.2 per cent from US$128.57 per cwt the previous week, but up 4.6 per cent from US$116.48 per cwt the same week a year ago.

United States Pork Exports

United States exported 142,126 metric tons of pork in August 2016, up 2.4 per cent from 138,801 metric tons in July 2016, and up 9.5 per cent from 129,750 metric tons from August 2015. U.S. pork exports by volume and dollar amount for August 2016 versus August 2015 were higher to Mexico, Japan, Hong Kong/China, Canada and Korea.

Cumulative U.S. pork exports by volume for the first eight months of 2016 were 2.6 per cent higher compared to the same period in 2015. The biggest increases in pork exports in 2016 were to Hong Kong/China; helping to make up for the volume declines to South Korea, along with small declines to Mexico and Japan.

By dollar amount, U.S. pork exports in August 2016 were US$424.5 million, up 3.2 per cent from US$411.2 million in July 2016, and up 14.3 per cent from US$371.4 million a year ago from August 2015. Year-to-date U.S. pork exports by dollar amount were $3.168 billion dollars, down one per cent from the same eight months in 2015.



Source: USDA, USMEF

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